

SWORN STATEMENT

In support of

a Notice Beginning Business Rescue Proceedings

In respect of Matpro (Pty) Ltd

I, the undersigned,

ADRIAAN LOUW BRINK

(ID No. 740323 5016 085)

do hereby make oath and state that:

- 1 I am a major male businessman with current place of employment at Matpro (Pty) Ltd, registration number 2018/237966/07 with the registered office located at Unit 1, Saxenburg Park 1, 20 Cabernet Road, Rustdal, Cape Town, Western Cape, 7580.
- 2 The contents of this sworn statement is true and correct and unless stated otherwise the facts contained herein fall within my own personal knowledge and belief.
- 3 I am the sole director of Matpro (Pty) Ltd (hereinafter referred to as "*the Company*").

PURPOSE OF THIS AFFIDAVIT

- 4 The company is in 'financial distress' as contemplated in section 128 (f) of the Companies Act 71 of 2008 ("*the Act*").
- 5 On 10 September 2024, the director of the company resolved that the Company be voluntarily placed into business rescue as envisaged in section 129 (3) of the Companies Act 71 of 2008. The resolution will be filed evenly with this sworn statement.




FINANCIAL DISTRESS OF THE COMPANY

- 6 The financial distress of the company is attributable, *inter alia*, to:
- 6.1 The low economic growth experienced in South Africa has led to reduced public and private investment in infrastructure and construction projects, reducing the demand for ready-mix concrete.
 - 6.2 The weakening South African Rand increases the cost of imported raw materials, such as fuel and certain chemicals used in concrete production, raising production costs.
 - 6.3 The ongoing fuel price increases have impacted heavily on the Company's transportation and operational costs.
 - 6.4 Delayed or unpaid invoices from private and government contractors have led to continuous cash flow problems, making it difficult to cover ongoing operational expenses.
 - 6.5 Labour strikes and wage increases disrupt the supply chain and raise production costs.
 - 6.6 The long-lasting effects of the COVID-19 pandemic continues to negatively impact the construction industry, leading to project delays, cancellations, and reduced demand for concrete. While recovery is underway, the aftereffects are still being felt in 2024, as many companies struggle to regain their pre-pandemic momentum.
- 7 As a result of the above:
- 7.1 The Company is experiencing cashflow constraints.
 - 7.2 The Company has been or will shortly be unable to service payments in respect of its month-to-month obligations to creditors and more specifically



in terms of its credit facilities.

- 7.3 The Company is unable to finalise orders from clients due to a shortfall in working capital requirements.
- 7.4 The Company is facing delays or cancellations of critical construction projects due to its inability to secure materials and resources necessary for production.
- 7.5 The Company's inability to meet its financial obligations is negatively impacting its relationships with suppliers, resulting in suppliers reducing or suspending deliveries, further hampering operations.
- 7.6 The Company is struggling to maintain and service its equipment and vehicle fleet, causing frequent breakdowns and production delays, which further exacerbates delivery and project completion issues.
- 7.7 The Company is facing increased pressure from creditors and financial institutions, with the potential risk of litigation, asset repossession, or termination of credit facilities.
- 7.8 The Company is at risk of breaching its contractual obligations with clients, resulting in potential legal disputes, penalties, or contract cancellations.
- 7.9 The Company is unable to invest in new technology, innovation, or process improvements that are necessary to remain competitive in the market, further reducing its ability to recover in the long term.

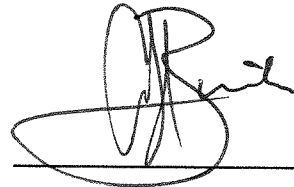
LEGAL PROCEEDINGS

- 8 To the best of my knowledge, I confirm that there are no active liquidation proceedings or any other litigation proceedings that have been initiated by or against the Company.

Handwritten signature and initials in black ink, located at the bottom right of the page.

PROSPECTS FOR RECOVERY IN BUSINESS RESCUE


- 9 It is my firm belief that there are reasonable prospects for the rescue and recovery of the Company through the utilisation of the business rescue processes envisaged in chapter 6 of Act.
- 10 In the premise, business rescue will:
- 10.1 Allow the Company to seek the necessary post commencement funding required to successfully restructure its affairs.
- 10.2 Allow the Company to negotiate with affected persons in seeking an arrangement /and or compromise relating to the liabilities of the Company, with the view to restoring the Company to solvency and ultimately restoring it to a solvent, liquid and profitable enterprise, or, at the very least;
- 10.3 To provide creditors with a return greater than that they would receive in the event of the liquidation of the Company.



DEPONENT

I hereby certify that the deponent knows and understands the contents of this affidavit and that it is to the best of his knowledge both true and correct. This affidavit was signed and sworn to before me at STELLENBOSCH on this the 14th day of SEPTEMBER 2024, and that the Regulations contained in Government Notice R.1258 of 21 July 1972, as amended, and Government Notice No R1648 of 19 August 1977, as amended, having been complied with.

LUZANNE BRINK
 KOMMISSARIS VAN EDE
 COMMISSIONER OF OATHS
 CLUVER MARKOTTER ING/INC
 PRAKTISERENDE PROKUREUR RSA/
 PRACTISING ATTORNEY RSA
 LEGAL PRACTICE COUNCIL MEMBERSHIP NR 85300
 CLUVER MARKOTTERGEBOU / BUILDING
 MEULSTRAAT / MILL STREET
 STELLENBOSCH



COMMISSIONER OF OATHS